

AMENDED IN SENATE MAY 11, 2006

AMENDED IN SENATE APRIL 26, 2006

SENATE BILL

No. 1513

Introduced by Senator Romero
(Principal coauthor: Assembly Member Liu)

February 23, 2006

An act to amend Section 13997 of the Government Code, relating to trade and investment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1513, as amended, Romero. Business, Transportation and Housing Agency: trade and investment.

Existing law sets forth the duties and authority of the Secretary of Business, Transportation and Housing generally. The secretary is authorized to accept private sector moneys for the purposes of promoting international trade and investment, subject to specified criteria.

Existing law, *until January 1, 2008*, requires the Governor to direct the secretary to establish, on a contract basis, and to the extent funds are available for that purpose, an international trade and investment office in Yerevan, in the Republic of Armenia.

This bill would additionally require the secretary to study the feasibility and desirability of establishing permanent international trade and investment offices within state government. The bill would require the secretary, if he or she finds that there is a need for permanent programs, to develop a strategic plan for state involvement in international trade and investment, as specified, and provide the Legislature with the plan by July 1, 2008. The bill would authorize the

secretary to establish international trade and investment offices, as specified, upon statutory authorization by the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13997 of the Government Code is
- 2 amended to read:
- 3 13997. (a) The Secretary of Business, Transportation and
- 4 Housing shall study the feasibility and desirability of establishing
- 5 permanent international trade and investment programs within
- 6 state government. If the secretary finds there is a need for
- 7 permanent programs, the secretary shall provide the Legislature
- 8 with a strategic plan for state involvement in international trade
- 9 and investment by July 1, 2008. The strategic plan should include
- 10 at least all of the following:
- 11 (1) An examination of the existing international trade and
- 12 investment services provided by state, federal, or private
- 13 programs or organizations, as well as an identification of any
- 14 gaps in those services.
- 15 (2) A recommendation as to whether the state should play a
- 16 role in international trade and investment, and if the state should
- 17 play such a role, an identification of the proposed components.
- 18 (3) A recommendation as to whether state international trade
- 19 and investment assistance should be directed towards a particular
- 20 sector of California's industries or workforce, and if so, which
- 21 sector or sectors.
- 22 (4) A proposal as to how state sponsored international trade
- 23 and investment services provided by the state, federal, or private
- 24 programs or organizations can work together in a coordinated
- 25 effort.
- 26 (5) A proposal as to how state sponsored international trade
- 27 and investment services would serve California's businesses,
- 28 workforce, and overall quality of life of all Californians.
- 29 (6) The estimated costs to the state to facilitate the proposed
- 30 international trade and investment program.
- 31 (7) A proposal as to how the secretary would collaborate with
- 32 the Legislature on international trade agreements in situations

1 where the federal government has requested input from the state
2 on ongoing trade negotiations.

3 (8) An examination of what role, if any, overseas trade and
4 investment offices should play in the overall strategic trade and
5 investment plan as identified in paragraphs (1) to (5), inclusive.

6 (b) In completing the strategic plan identified under
7 subdivision (a) the secretary may convene an International Trade
8 Partnership Council to provide advice and counsel regarding the
9 strategic plan. The council members shall be appointed by the
10 secretary to reflect the state's diverse geographic, economic, and
11 cultural makeup and should include trade, international law, and
12 global economy experts representing export businesses,
13 manufacturing, small and medium sized businesses, agriculture
14 and small farming, organized labor, human rights organizations,
15 environmental organizations, California's universities and
16 colleges, law schools and policy institutes, California
17 International Trade Development Centers, local World Trade
18 Centers, and trade organizations. The council should also include
19 bipartisan representation from the Legislature, to the extent that
20 participation does not conflict with the members' legislative
21 duties as well as representation from the Department of Food and
22 Agriculture, the Labor and Workforce Development Agency, and
23 the Travel and Tourism Commission.

24 (c) Upon statutory authorization by the Legislature of the
25 strategic plan, as provided in subdivision (a), the secretary may
26 carry out activities related to domestic and—~~international~~
27 *international* trade and investment on behalf of the state, as
28 identified in the strategic plan.

29 (d) In exercising the authority provided under subdivision (c),
30 the secretary may determine there is a need for overseas
31 international trade and investment offices. The secretary may
32 establish international trade and investment offices in the
33 following manner:

34 (1) The secretary shall submit to the Legislature a plan for any
35 international trade and investment office proposed to be
36 established. The plan shall, at a minimum, do the following:

37 (A) Demonstrate the need for state representation in the area to
38 be served that cannot be met through existing trade and
39 investment networks.

1 (B) Define the duties and functions to be carried out by the
2 office in collaboration with existing federal, state, local, or other
3 international trade and investment entities.

4 (C) Identify the beneficial impact on the state's businesses,
5 workforce, and overall quality of life in this state resulting from
6 the establishment of the office.

7 (D) Identify how the office will be evaluated, the criteria by
8 which the office will be evaluated, and a schedule by which the
9 secretary will report to the Governor and the Legislature on the
10 success of the office.

11 (E) Identify the proposed funding mechanism for the office,
12 and if the offices, are to be privately funded or contract offices,
13 the proposed oversight practices, and public reporting plans.

14 (2) Upon presentation of a proposal for an international trade
15 and investment office as described in this subdivision, the
16 secretary shall request statutory authorization by the Legislature
17 to establish the office.

18 (3) Any international trade and investment offices established
19 shall not promote international trade agreements nor represent
20 the state in international trade agreement negotiations undertaken
21 by the federal government.

22 (4) *Nothing in this section shall preclude the operation of any*
23 *international trade and investment office established pursuant to*
24 *authorization by the Legislature in effect on or before January 1,*
25 *2007.*

26 (e) The secretary may accept private sector moneys in an
27 amount not in excess of ten thousand dollars (\$10,000) per
28 donation made to the state for the purposes of promoting
29 international trade and investment, subject to Title 9
30 (commencing with Section 81000), and not in excess of a total of
31 ten thousand dollars (\$10,000) per quarter per donor. All private
32 sector moneys shall be used for these purposes but the donor may
33 specify the international trade and investment office or
34 international trade or investment event for which the private
35 sector money shall be used. The private sector moneys shall be
36 deposited into the Economic Development and Trade Promotion
37 Account, which is hereby established in the Special Deposit Fund
38 in the State Treasury. The secretary may expend moneys in the
39 account, without regard to fiscal years, for the purposes of this
40 section. Moneys in the Economic Development and Trade

Promotion Account may be allocated to an international trade and investment office, and if so allocated shall be maintained by that office in an account. Notwithstanding any other provision of law, the secretary may use the private sector moneys for expenses incurred to promote international trade and investment that will directly benefit California business. Records of donations received and expenditures made pursuant to this section shall be made available to the public on the agency's Internet Web site.

(f) The international trade and investment office using the funds shall memorialize the payment in a written record as follows:

(1) Identifies the donor and the official or officials receiving or using the payment.

(2) Describes the official agency use and the nature and amount of each payment.

(3) Is filed with the Business, Transportation and Housing Agency that maintains the records of the agency's statements of economic interests, and the filing is done within 30 days of the receipt of the payment by the agency.

(g) Nothing in this section shall affect any requirement of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).